



GARY R. HERBERT
Governor
SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

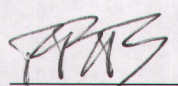
MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Minerals Inspection Report

Report Date: 6/22/2015

Reviewed 

Mine Name: Diamond Mountain Resources	Permit Number: M/47/0066	Mine Status: Active
Operator Name: Deseret Generation and Transmission	Inspection Date: 6/16/2015	Permit Fees: Paid
Inspector(s): A. Abate	Inspection Time: 2:00 PM	Bond Amount: \$275,000
Attendee(s): B. Dickson, D. Herron	Weather: Thunder storms	Bond Escalation: 03/17/2015
Inspection Purpose: Routine inspection		Prior Inspection: 10/14/2014

Conclusions and Recommendations

Upon review of the NOI, the site is permitted for 45-acres but only bonded for 17.64. Current disturbance at the site is calculated at 27 acres. The Division will issue a Division Directive asking that the operator provide an updated NOI, reclamation surety calculation and post the required additional surety. The mine is located in the Ashley National Forest away from public roads and recreation areas. No active mining is occurring this year. The operator is making use of the material in the existing stockpiles and hauling it off site on an as-needed basis.

Elements of Inspection	Evaluated & Commented	Enforcement
1. <i>Permits, Revisions, Transfer, Bonds</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Permit fees are current. The bond escalation date is overdue. The site is currently permitted for 45 acres. However, in reviewing the surety calculation in the Notice of Intention (NOI prepared in 2003) the reclamation bond is based on a 17.64-acre disturbance. Current disturbance at the mine is calculated to be approximately 27 acres. The NOI is in an outdated format and none of the maps reflect current conditions. The Division will write a Directive requesting the operator provide an updated NOI, calculate an updated reclamation surety, and post the additional bond necessary to bring the permit into compliance.		
2. <i>Public Safety (shafts, adits, trash, signs, highwalls)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Highwall of active mining area appeared to be in stable.		
3. <i>Protection of Drainages/Erosion Control</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
No erosion problems were identified along the road and near the sediment ponds. Sediment pond 2 located to the southeast of the mine appeared to be at capacity. There was some discussion about possibly enlarging this pond or alternatively, creating a diversion ditch to the first sediment pond to direct stormwater flow there.		
4. <i>Deleterious Material</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Housekeeping practices at the mine are diligent, no trash or deleterious materials were noted.		
5. <i>Roads (maintenance, surfacing, dust control, safety)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
No issues identified		
6. <i>Reclamation</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Reclamation is currently not occurring at the present time. Future expansion will be toward the north. The operator indicated that if expansion is to the north, then the existing pit would be reclaimed contemporaneously.		
7. <i>Backfilling/Grading (trenches, pits, roads, highwalls, shafts)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
No backfilling or grading is occurring at the present time. Reject and overburden stockpiles will be used in backfilling the pits at reclamation.		
8. <i>Soils</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
No issues identified		
9. <i>Revegetation</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Topsoil pile needed some additional vegetation; only parts of it were vegetated. Mr. Dickson indicated that it was seeded in the fall but seed did not take very well.		
10. <i>Other</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Future activities include drilling exploration boreholes to determine the extent of the limestone deposit. The company may at some point apply for an exploration permit. This will depend on where the borehole locations are proposed and whether or not they are outside of their 45-acre permit area.

Inspector's Signature: _____

CC: David Herron, USFS daherron@fs.fed.us

File: /nrwogmfs1/OGM/GROUPS/MINERALS/WP/M047-Uintah/M0470066-DiamondMtnResouces/inspections/Insp-06-16-2015.pdf



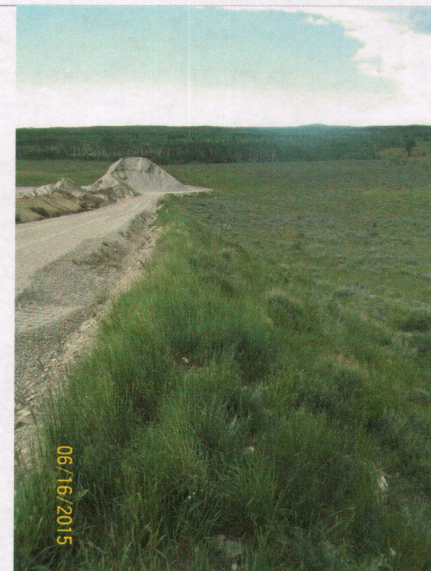
Topsoil pile was partially vegetated.



Sediment Pond 1 located at the southwest corner of the mine was dry.



Sediment pond 2 located southeast of the mine appeared to be at capacity.



The outslopes of the berms around the perimeter of the disturbance areas were nicely vegetated and function well in terms of controlling erosion.